



June 22, 2021

Michigan House of Representatives  
 Workforce, Trades, and Talent Committee  
 Anderson House Office Building  
 124 North Capitol Avenue  
 Lansing, MI 48933

Dear Committee Members:

On behalf of the sixteen Michigan Works! Agencies, we look forward to testifying before the committee in support of Senate Bill 501. This bill provides new definitions and opportunities for Unemployment Insurance Work Registration requirements while providing increased identify theft protections, an increased talent pool for employers, and supports residents with access to education, apprenticeships, and jobs. As you consider SB 501, I wanted to take the opportunity to address some of the key questions posed since the introduction of SB 501:

- **Data: The Michigan Works! network provides extensive employment services and support to individuals who Register for Work and has Key Performance Indicators and data to prove success and impact.**  
 In Program Year 2019 (July 1, 2019 through June 30, 2020), the Michigan Works! system provided Employment Services to 176,052 individuals and successfully exited 141,287 from services. Of the 141,287, outcomes included:
  - 71.8% retention rate after two quarters
  - 71.9% retention rate after four quarters
  - \$6,901 of median earnings in quarter two

This information is publicly available in the Appendix of the State of Michigan’s Labor and Economic Opportunity Program Year 2019 Workforce Innovation and Opportunity Act Annual Report. A full copy of the report, which also provides a breakdown by Michigan Works! Agency, is available at:

[https://www.michigan.gov/documents/leo/WIOA\\_Annual\\_Report\\_PY2019\\_with\\_Cover\\_Letter\\_709189\\_7.pdf](https://www.michigan.gov/documents/leo/WIOA_Annual_Report_PY2019_with_Cover_Letter_709189_7.pdf)

The suspension of Work Registration has had a significant impact on the services our received. Below, please find data received from the Department of Labor and Economic Opportunity in October 2020:

PROGRAM PARTICIPATION	March 1, 2019 to Sept 30, 2019	March 1, 2020 to Sept 30, 2020	Percentage Change from 2019 to 2020
Employment Services	78,304	15,601	Down 80.1%
Veterans*	3,445	623	Down 81.9%
Adult	2,915	1,155	Down 60.4%
Dislocated Worker	903	462	Down 48.8%
In School Youth	478	233	Down 51.3%
Out of School Youth	927	342	Down 63.1%
<b>Totals</b>	<b>86,972</b>	<b>18,416</b>	<b>Down 78.8%</b>

*Referrals from MWA’s to a Veterans Career Advisor <ul style="list-style-type: none"> <li>• March – September 2019: 1,846</li> <li>• March – September 2020: 194</li> </ul>	*Jobs for Veterans State Grant (JVSG) Registrations: <ul style="list-style-type: none"> <li>• March – September 2019: 543</li> <li>• March -September 2020: 2019</li> </ul>
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It should be noted that the permanent suspension of Work Registration with Michigan Works! will negatively impact the State of Michigan’s Labor and Economic Opportunity Wagner-Peyser Employment Services grant performance and may result in the loss of federal funds.

- **Reemployment Services and Eligibility Assessment services (RESEA): Reemployment Services and Eligibility Assessment (RESEA) program provides additional support to claimants who apply for Unemployment Insurance benefits. This has been posed as a possible replacement to Work Registration.**

The Michigan Unemployment Insurance Agency applies an algorithm to UIA claimants to identify claimants most likely to exhaust benefits. Those claimants are referred to Michigan Works! for additional services, on average 5-6 weeks after filing their initial claim.

Michigan Department of Labor and Economic Opportunity Policy Issuance 20-19, Change 1 dated April 8, 2021 increased the number of individuals referred to the Michigan Works! Agencies each week. However, this is a very small representation of the number of weekly claimants. The 700 total claimants eligible for RESEA are from the over 12,000 total weekly claimants – representing just over 5%.

<b>Michigan Works! Agencies (MWAs)</b>	<b>Weekly Referrals</b>
<b>Berrien-Cass-Van Buren</b>	16
<b>Capital Area</b>	34
<b>DESC</b>	76
<b>Great Lakes Bay</b>	32
<b>GST Michigan Works!</b>	50
<b>Macomb/St. Clair</b>	72
<b>Northeast</b>	14
<b>Northwest</b>	22
<b>Oakland</b>	66
<b>Region 7B</b>	44
<b>Southeast</b>	42
<b>SEMCA</b>	84
<b>Southwest</b>	34
<b>Upper Peninsula</b>	24
<b>West Central</b>	14
<b>West Michigan</b>	76
<b>TOTAL</b>	<b>700</b>

- **Michigan Works – A local, public organization: Michigan Works! is a local, employer-driven, economic and workforce organization that provides innovative solutions and support to Michigan residents and businesses.**

Michigan Works! is part of the national American Job Center (AJCs) system delivering public workforce services. Created by the Workforce Investment Act of 1998 (WIA) and continued under the Workforce Innovation and Opportunity Act (WIOA) in 2014, the AJCs are responsible for working collaboratively with education and other partners to provide comprehensive services to individuals searching for jobs and employers looking for skilled workers.

Although the AJC delivery system operates under Federal law and rules, state and local boards, have responsibility for implementing service delivery. Each Michigan Works! Agency is governed by local Chief Elected Official(s) and a local workforce development board representing business, education, labor, and key partners. In Michigan, the Michigan Works! system was established by Public Act 491 of 2006.

As we recover post-pandemic, it is even more critical than ever that Michigan residents have more workforce support, career support, educational support, and opportunities. Job loss and job transitions are one of life's most stressful events. While we respect and appreciate UIA's decision to streamline services and meet their USDOL requirements, we believe that the customer-centered design of Work Registration is critical to the success of Michigan's recovering economy.

I look forward to testifying on Thursday, June 24 and answering any other questions you may have. Thank you for your consideration. If you have any questions in the meantime, please don't hesitate in reaching out to me directly at [llewellynj@oakgov.com](mailto:llewellynj@oakgov.com) or by phone at (248) 765-6822 or Peter Ruddell at Honigman by email at [pruddell@honigman.com](mailto:pruddell@honigman.com) or phone (517) 377-0711.

Sincerely,



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Manager, Oakland County Workforce Development